

NEIL ABERCROMBIE  
GOVERNOR OF HAWAII



LORETTA J. FUDDY, A.C.S.W., M.P.H.  
DIRECTOR OF HEALTH

STATE OF HAWAII  
DEPARTMENT OF HEALTH  
P. O. BOX 3378  
HONOLULU, HI 96801-3378

In reply, please refer to:  
File:

ASO-F/12-866

June 28, 2012

To: Division and Branch Chiefs, Staff, District Health Officers, and  
Administrators of Attached Agencies

From: Chief, Administrative Services Office

Subject: Indirect Cost for Fiscal Year 2013

Attached for your reference is the recently approved Rate Agreement for the indirect cost for fiscal year 2013.

If there are any questions, please call Vanessa Lau at 586-4559.

*Sharon S. Abe*

SHARON S. ABE

Attachment

**STATE AND LOCAL GOVERNMENTS RATE AGREEMENT**

EIN:

DATE: 06/26/2012

ORGANIZATION:

FILING REF.: The preceding  
agreement was dated

Hawaii Department of Health

08/19/2011

P.O. Box 3378

Honolulu, HI 96801

The rates approved in this agreement are for use on grants, contracts and other agreements with the Federal Government, subject to the conditions in Section III.

**SECTION I: INDIRECT COST RATES**

RATE TYPES:      FIXED                  FINAL                  PROV. (PROVISIONAL)      PRED. (PREDETERMINED)

**EFFECTIVE PERIOD**

<b><u>TYPE</u></b>	<b><u>FROM</u></b>	<b><u>TO</u></b>	<b><u>RATE(%) LOCATION</u></b>	<b><u>APPLICABLE TO</u></b>
FIXED	07/01/2012	06/30/2013	15.80 (1)	All Programs
FIXED	07/01/2012	06/30/2013	15.80 (2)	All Programs
FIXED	07/01/2012	06/30/2013	12.90 (3)	All Programs
FIXED	07/01/2012	06/30/2013	11.10 (4)	All Programs
FIXED	07/01/2012	06/30/2013	10.30 (5)	All Programs
FIXED	07/01/2012	06/30/2013	10.70 (6)	All Programs
FIXED	07/01/2012	06/30/2013	8.00 (7)	All Programs
FIXED	07/01/2012	06/30/2013	9.60 (8)	All Programs
FIXED	07/01/2012	06/30/2013	11.70 (9)	All Programs
FIXED	07/01/2012	06/30/2013	9.20 (10)	All Programs
FIXED	07/01/2012	06/30/2013	14.50 (11)	All Programs

<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>RATE(%)</u>	<u>LOCATION</u>	<u>APPLICABLE TO</u>
PROV.	07/01/2013	Until Amended		(12)	

\*BASE

Direct salaries and wages including all fringe benefits.

- (1) Health Resources Administration
- (2) Environmental Health Administration
- (3) Behavioral Health Administration
- (4) Health Status Monitoring Office
- (5) Planning, Policy & Program Development Office
- (6) State Health Planning
- (7) Disability & Communications Access Board
- (8) Developmental Disabilities Council
- (9) Office of Environmental Quality Control
- (10) Tobacco Settlement Project/Healthy Hawaii Initiative
- (11) Executive Office on Aging
  
- (12) Use same rates and conditions as those cited for fiscal year ending June 30, 2013.

ORGANIZATION: Hawaii Department of Health

AGREEMENT DATE: 06/26/2012

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**SECTION II: SPECIAL REMARKS**

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TREATMENT OF FRINGE BENEFITS:

The fringe benefits are charged using the rate(s) listed in the Fringe Benefits Section of this Agreement. The fringe benefits included in the rate(s) are listed below.

TREATMENT OF PAID ABSENCES

Vacation, holiday, sick leave pay and other paid absences are included in salaries and wages and are claimed on grants, contracts and other agreements as part of the normal cost for salaries and wages. Separate claims are not made for the cost of these paid absences.

DEFINITION OF EQUIPMENT

Equipment is defined as tangible nonexpendable personal property having a useful life of more than one year and an acquisition cost of \$1,000 or more per unit.

The following fringe benefits are treated as direct costs:

SOCIAL SECURITY TAXES, WORKERS COMPENSATION, UNEMPLOYMENT, HEALTH/DENTAL/LIFE INSURANCE, PENSION, POST RETIREMENT, AND RETIREMENT SYSTEM ADMINISTRATION.

ORGANIZATION: Hawaii Department of Health

AGREEMENT DATE: 06/26/2012

**SECTION III: GENERAL**

**A. LIMITATIONS:**

The rates in this Agreement are subject to any statutory or administrative limitations and apply to a given grant, contract or other agreement only to the extent that funds are available. Acceptance of the rates is subject to the following conditions: (1) Only costs incurred by the organization were included in its indirect cost pool as finally accepted; such costs are legal obligations of the organization and are allowable under the governing cost principles; (2) The same costs that have been treated as indirect costs are not claimed as direct costs; (3) Similar types of costs have been accorded consistent accounting treatment; and (4) The information provided by the organization which was used to establish the rates is not later found to be materially incomplete or inaccurate by the Federal Government. In such situations the rate(s) would be subject to renegotiation at the discretion of the Federal Government.

**B. ACCOUNTING CHANGES:**

This Agreement is based on the accounting system purported by the organization to be in effect during the Agreement period. Changes to the method of accounting for costs which affect the amount of reimbursement resulting from the use of this Agreement require prior approval of the authorized representative of the cognizant agency. Such changes include, but are not limited to, changes in the charging of a particular type of cost from indirect to direct. Failure to obtain approval may result in cost disallowances.

**C. FIXED RATE:**

If a fixed rate is in this Agreement, it is based on an estimate of the costs for the period covered by the rate. When the actual costs for this period are determined, an adjustment will be made to a rate of a future year(s) to compensate for the difference between the costs used to establish the fixed rate and actual costs.

**D. USE BY OTHER FEDERAL AGENCIES:**

The rates in this Agreement were approved in accordance with the authority in Office of Management and Budget Circular A-87 Circular, and should be applied to grants, contracts and other agreements covered by this Circular, subject to any limitations in A above. The organization may provide copies of the Agreement to other Federal Agencies to give them early notification of the Agreement.

**E. OTHER:**

If any Federal contract, grant or other agreement is reimbursing indirect costs by a means other than the approved rate(s) in this Agreement, the organization should (1) credit such costs to the affected programs, and (2) apply the approved rate(s) to the appropriate base to identify the proper amount of indirect costs allocable to these programs.

BY THE INSTITUTION:

Hawaii Department of Health

(INSTITUTION)

*Sharon S. Abe*

(SIGNATURE)

Sharon S. Abe

(NAME)

Administrative Services Office Chief

(TITLE)

06/28/2012

(DATE)

ON BEHALF OF THE FEDERAL GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

(AGENCY)

*Arif Karim*

(SIGNATURE)

Arif Karim

(NAME)

Director, Western Field Office

(TITLE)

6/26/2012

(DATE) 0261

HHS REPRESENTATIVE: Naomi Tamashiro

Telephone: (415) 437-7820